

Annual Budget Process

The City of Durham's annual budget process, the framework for communicating major financial operational objectives and for allocating resources to achieve them, is a complex undertaking involving the whole government. The process begins in October and runs until the end of June. By state law, the City must adopt an annual budget ordinance by June 30 of each year. Coordination of the process is essential to the building of the budget. To achieve coordination, a calendar of activities is summarized on the next page.

Once the budget is approved, the focus of the budget becomes control. Ongoing monitoring of expenditures and revenues throughout the year is a responsibility shared by department heads and the Budget Department. The Accounting Services Division ensures that changes are correctly entered and payments are appropriate.

The Budget and Management Services Department reviews all requests from departments to make sure that sufficient appropriations have been budgeted. All funds are reviewed on a regular basis, and a budget report is

submitted to the City Council on a quarterly basis.

The City Manager has the Authority to transfer budgeted amounts between departments within any function. However, transfers between functions, additions, or deletions require a budget amendment. To amend the budget, a revised budget ordinance must be approved by the City Council.



Annual Budget Process

January

- City Council retreat to discuss vision and service issues.
- Formal budget kick-off. City Manager explains financial and operational objectives.

February

- City Council retreat to discuss financial issues.
- Public input on budget sought through public hearing and “Coffees with Council”.

March

- Coffees with Council continue.
- Department Budgets submitted to Budget office.
- Budget projects revenue estimates.

April

- Departmental budget presentations to City Manager.
- Balance expenditure requests with revenue estimates.

May

- Preliminary Budget and Capital Improvement Plan prepared and formally transmitted to Council.
- City Council conducts work sessions on proposed budget.

June

- Second Public Hearing is held in accordance with state law.
- The City Council adopts the budget. State law requires it to be adopted

July

- New fiscal year begins. Budget becomes control instrument for all expenditures.

August

- Ongoing monitoring of expenditures and revenues throughout the year is a responsibility shared by Department Directors, Budget and Finance.

September

- Annual audit of prior year expenditures is conducted and comprehensive Annual Financial Report is published.

October

- Management Team discusses and develops overall budget goals for next fiscal year.

November

- Appropriation transfers and Budget Amendments are reviewed and processed throughout the year, as necessary.

December

- Develop budget manual, train departments in BRASS (computerized Budget Preparation System).